



Middlebrook & Miller - Capability Statement: Middlebrook & Miller have earned an international reputation in the area of economic policy, international finance, public finance management, administrative restructuring and political economy. With over 15 years of experience, Middlebrook & Miller have provided practical policy and investment advice to public clients including more than 20 Governments, the World Bank (WB), Asian Development Bank (ADB), UK Department for International Development (DFID), European Union (EU), the United Nations (UN), independent think tanks, Universities as well as to private sector concerns including PriceWaterhouse Coopers and Lehman Brothers among others.

Middlebrook & Miller specialize in the provision of policy and institutional reform support in the areas of (i) security systems reform (ii) public sector restructuring (iii) public finance management (iv) economic policy development (v) private sector development (vi) analysis of the political economy and energy markets. We employ a diverse range of associated high level career professionals dedicated to providing the highest quality analytical and problem solving support across all our areas of work. Beyond consultancy, Middlebrook & Miller publish research into key aspects of public and private investment, right-financing and market development as free policy briefs to both public and private spheres. Client countries include the Governments of Afghanistan, Albania, China, Ethiopia, India, Kenya, Mexico, Nepal, Nigeria, Sierra Leone, Somalia, Thailand, Pakistan and Zimbabwe among others.

Core Services and Areas of Competency: Middlebrook & Miller offer an extensive range of tailor made consulting services to suite the individual requirements of governments, multi-lateral institutions and the private sector. We provide 'independent' policy and analytical advisory services to a wide range of clients in the international arena, in the areas of security systems reform, public sector restructuring and management, public finance management, economic policy development, private sector development, energy policy and analysis of key factors that drive change in a given country context. All advisory services are provided by highly experienced consultants in their particular field. Our work is pitched at the highest market standard; providing practical solutions to policy and institutional constraints. Moreover, our services are informed by and contribute towards the latest analytical thinking in a given work area. Our services are client oriented, informed, comprehensive and analytical; and include the following areas:



- ✦ **Economic Policy:** Support to strengthen macroeconomic policy, fiscal and monetary policy and management, public and commercial banking, micro-finance and investment policy;
- ✦ **Private Sector Development:** Services to support the creation of an enabling environment for the private sector, as the engine of growth. Emphasis is placed on analytical work to remove the binding constraints to growth. Further, we provide services to corporate clients with regard to investment financing and market analysis;
- ✦ **Public Sector Restructuring:** Analytical and advisory services in the administrative restructuring of central and sub-national structures of state, to enhance governance, fiscal sustainability and the effectiveness and efficiency of service delivery;
- ✦ **Public Finance Management:** To support the establishment of effective policy making, sound, transparent and accountable budgetary and treasury systems, as well the effective utilisation of external assistance through budget support operations, trust funds, and programmatic based investments. Work includes public finance management and expenditure reviews, and strengthening systems of expenditure and aid tracking.
- ✦ **Security Systems Reform:** Support for the development of security systems in weak and fragile states (in defence, law and order and justice) that provide higher quality services at a price that is affordable



by the state in the longer term. Such reforms embrace national security policy development, institutional restructuring and strengthening, staff and pay reforms and public finance management;

- ◆ **Political Economy:** Analytical services to governments identifying the political economy drivers of change.
- ◆ **Publications:** We publish ad hoc, high quality independent not for profit publications and research findings.

Economic Policy: In the area of economic policy development, Middlebrook & Miller specialize in the provision of advisory services to Government, international organizations and corporations in the areas of competitiveness, investment finance, public private partnership development, privatization, trade policy, economic growth and investment climate diagnostic work, land and environmental issues. Recent work includes investment climate and growth diagnostic work for the Government of Pakistan, trade policy work with the World Bank, the drafting of National Development and National Investment Strategies, reviews of the Counter Narcotics Trust Fund in Afghanistan, conducting expenditure reviews of the security sector in Afghanistan and Sierra Leone, and providing support to the OECD in developing the Implementation Framework for SSR.

Private Sector Development: Development of the private sector is vital for post conflict rehabilitation and reconstruction. Sustaining high levels of economic growth in both the formal and informal economies following conflict is essential for lasting peace and stability, allowing citizens to observe a tangible impact on their living standards; enabling the rebuilding of assets and enhancing access to essential local services. More often than not however, growth rates following conflict remain unacceptably low due to the disruption of normal economic activity, criminalization of the economy and the failure of state institutions in the provision of basic services that improve the 'enabling environment'. Furthermore, elite capture of production processes, control over natural resources and border trade often block market entry for competing firms, driving up costs and lowering the quality of services.

Whilst capitalizing on entrepreneurship is vital to growth and employment, large companies, small to medium enterprises as well as micro-enterprises face various binding constraints, many of which are determined by the prevailing political environment. Common binding constraints faced by both domestic and foreign investors include poor access to financial services, lack of productive infrastructure, a weak and poorly developed regulatory environment, unproductive labour, weak law and order institutions and general levels of national, personal and asset security. These constraints also limit levels of foreign direct investment further undermining the expansion and integration of the national and regional economy and therefore the attainment of robust and sustained broad based growth. The impact on political stability of low levels of growth caused by weak employment, further encourages social unrest against the incumbent administration. We specialize in services to government, donors and international financial institutions in conducting analytical work that seeks to release the productive potential of the private sector as the engine of sustainable growth. We focus on reforms that have the most substantial and immediate impact on equitable growth. Services Include:



- ◆ Investment Climate Surveys;
- ◆ Business Enterprise Surveys;
- ◆ Strengthening Commercial Banking and Micro Finance Institutions;
- ◆ Design and management of privatization programs;
- ◆ Competition policy and legal development;
- ◆ Trade police development;
- ◆ Enhancing private sector access to external assistance; and,
- ◆ Anti-corruption.





Public Sector Restructuring: The collapse of state structures following conflict often provides an invaluable opportunity to reform the core structures of administration, as well as staffing establishments and pay and grading arrangements to enhance the provision of state functions in an effective and cost efficient manner. Moreover, given the narrow revenue base characteristic of weak and fragile states, ‘rightsizing’ institutions and staffing arrangements is vital for the emergence of a lean and effective government, and one that is fiscally sustainable over the medium to longer term. Once a transitional policy and strategy framework has been established, the sequenced realignment of administrative structures to enhance implementation becomes a pre-condition for better policy implementation. Furthermore, given the need to reduce dependence on external aid, making appropriate structuring decisions is essential to stop the emergence of a bloated and inefficient government. Middlebrook & Miller specialize in the provision of technical advisory services to strengthen public sector management and good governance. Services include support for administrative restructuring, civil service reform, staff management and training, as well as decentralization and service delivery. Services include:

- ✦ **Administrative Restructuring:** Proposals for reforming the size and structure of national and sub-national administrations through the application of standard public administration reform activities. Assistance in this area now extends to national security, law and order and justice institutions too.
- ✦ **Civil Service Reform and Staff Management:** Support to either establish or strengthen existing civil service management capabilities, in particular with regard to senior civil service, Offices of the President, Cabinet Offices, Parliament, and executive portfolios.
- ✦ **Decentralization and Service Delivery:** Analytical and policy advisory services to assist in the development of appropriate revenue and expenditure assignment models aimed at enhancing service delivery, accountability and transparency of public office.

Public Finance Management: The adoption of established ‘core’ public finance management procedures following conflict is vital to support weak and fragile states to make effective and efficient use of scarce national resources; as well as to increase accountability and transparency in public spending. Unfortunately, in most weak and fragile states, national financial management capacities remain weak, undermining the linkage between policy making, planning and budget formulation and execution. Furthermore, once the budget is not established as the central instrument of government policy, the overall sequence of reconstruction and investment prioritization is also undermined. When set against a background of weak revenue mobilization and a tide of rising corruption, the challenge of strengthening existing systems remains critical to the whole reconstruction effort. Under such situations, external assistance often flows outside of government treasury systems, leading to the creation of parallel structures for service delivery and the excessive projectisation of the national budget. In many cases, Trust Funds are established to overcome many of the structural problems faced by governments and donors, with differing degrees of success. Middlebrook & Miller provide support to governments and donors in strengthening existing public finance management systems, with a view to enhancing service delivery, fiscal and budgetary management arrangements as well as the effectiveness of external aid. Services Include:



- ✦ Public finance management and reviews of public expenditures, encompassing traditional sectors such as education and health as well as national security arrangements;
- ✦ Fiscal and tax policy advisory services to IFIs and national governments;
- ✦ Support to strengthen policy and budget formulation, public expenditure and aid tracking systems;
- ✦ Analytical services to support the restructuring of sub-national revenue and expenditure systems;
- ✦ Establishing and strengthening the management of multi-donor trust funds;
- ✦ Support to strengthen donor budget support operations; and,



- ✦ Enhancing the effectiveness of external assistance, including strengthening national aid coordination and management systems, to support the implementation of the Paris Declaration.

Security System Reform: Following complex emergencies, re-establishing national security and the rule of law are fundamental pre-conditions for good governance, the delivery of basic services, protecting rights and assets, and sustaining economic growth. All too often government and partners focus heavily on disarmament, demobilization and reintegration (DDR) of former combatants whilst key policy, legal, administrative and economic management reforms are pushed back, undermining the sustainability of the reform program itself. The sequence of reforms, as well as the substance is vital to developing an effective, efficient and sustainable security sector. Poorly informed decisions, for example when restructuring army and police forces, can leave newly emerging governments with a fiscally unsustainable national security structure that requires long term external support. Furthermore, lack of investment in judicial reform, in supporting efforts in national security coordination and lack of fiscal work are common place. Our focus is on strengthening security systems reform, in line with the OECD Security System Reform framework, to enhance the effectiveness, fiscal sustainability and service delivery aspects of security systems. Services include:

- ✦ Analytical work on existing national security, rule of law policies/strategies towards developing a proposal for corrective measures. Emphasis is placed on determining the actual threat so as to structure an effective counter force;
- ✦ Support for the administrative restructuring of national security institutions whilst enhancing core public finance management capabilities;
- ✦ Conducting public expenditure and public finance reviews with security institutions to address key issues such as fiscal sustainability, appropriate pay and grading structures, and support for comprehensive budgeting;
- ✦ Assistance and training to national oversight bodies, to members of parliament, to reinforce civilian oversight of security arrangements; and,
- ✦ Support in establishing and managing trust funds to pay national army and national police forces.

Political Economy: Middlebrook & Miller provide bespoke services to governments, intelligence and security services and corporate clients to enhance understanding of the drivers of change in a given country context. We work with experienced national counterparts and independent think tanks to deliver high quality analytical services related to national policy, political parties and processes, foreign policy analysis and political threat assessments. A particular focus of work is to better understand the politics of contestation in weak, fragile and post conflict states, with a view to limiting the risks of a return to violent conflict; towards the establishment of democratic and pluralistic societies. Services include:

- ✦ **Drivers of Change:** We provide support in the development of drivers of change studies that seek to unpackage both positive and negative drivers of change in given context.
- ✦ **Foreign Policy Analysis:** We conduct discrete foreign policy analysis for clients with regard to national, regional and international political relations, regional security arrangements, trans-national security issues, terrorism, and other contested state issues.

For more information Middlebrook & Miller LLC can be contacted on info@middlebrook-miller.com or through www.middlebrook-miller.com.

